



Division of Real Estate

Erin Toll
Director

Bill Ritter, Jr.
Governor

September 2, 2009

D. Rico Munn
Executive
Director

Gregg Malawer
U.S. Department of Justice
Antitrust Division
450 5th Street, NW
Suite 4000 South
Washington, D.C. 20001

Dear Mr. Malawer:

Colorado's real estate brokers licensing act prohibits a real estate broker from paying a commission or valuable consideration to an unlicensed person who performs any brokerage functions. However, the Act, including the rules adopted by the Colorado Real Estate Commission, does not prohibit the payment of a rebate to the buyer and/or seller. The Act exempts the principals to a transaction from licensure. It is the Colorado Real Estate Commission's position that the brokers involved in the transaction may rebate a portion of their commission to the principal(s). The Colorado Real Estate Commission regards this as a reduction in the amount of earned commission paid to the broker, and therefore not a violation of the license law. I have included a copy of the Commission position statement CP-12, which the Commission adopted to provide brokers with guidance regarding the payment of rebates. Commission position statements serve only as guidance statements and are not enforceable as law.

Sincerely,

Marcia Waters
Investigations and Compliance Director

Enclosure: Commission Position Statement CP-12

